

U.S. DEPARTMENT OF ENERGY
**Office of Electricity, Delivery and
Energy Reliability**



ENERGY ASSURANCE DAILY

August 23, 2005

Electricity

15,000 Customers Affected by Power Outage in Pennsylvania

Most of Hanover and McSherrystown were affected by a Tuesday morning power failure. The outage was blamed on an equipment failure at a Met-Ed substation in Hanover.

<http://www.eveningsun.com/Stories/0,1413,140~9954~3022663,00.html>

NRG Receives Permit for Big Cajun II Coal Plant Expansion

NRG Energy has received a Title V Air Permit from the Louisiana Department of Environmental Quality to add a fourth unit to its Big Cajun II station in New Roads. The current capacity of the station is 1,730 MW. The new unit would increase that capacity by 675 MW.

<http://www.energycentral.com/centers/news/daily/article.cfm?aid=5895590>

Black Hills Corp to Begin Construction of Wygen II Power Plant

The company announced Monday that final specifications were complete and construction on the planned 90 MW coal-fired base-load plant would begin in September.

<http://www.energycentral.com/centers/news/daily/article.cfm?aid=5895772>

Software Problem Causes Palo Verde Unit 2 to Shut

The 1,335 MW unit 2 at the Palo Verde nuclear generating station shut down on August 22 when a software package monitoring the reactor core failed. Although the company did not provide any specifics as to the return of the unit, a company representative did indicate that the unit should be back on line before the end of the week. The 1,243 MW unit 1 at the plant has been shut since August 12 to repair a seal on a generator.

Bloomberg 10:44, August 23, 2005.

Reuters 15:05, August 23, 2005.

Update - Brunswick Unit 1 Back Up to 100 Percent of Capacity, August 23

Bloomberg 7:44, August 23, 2005.

Update - Nine Mile Point Unit 1 Back Up to 100 Percent of Capacity, August 23

Bloomberg 7:44, August 23, 2005.

OPG's 490 MW Coal-fired Unit 3 at its Nanticoke Facility in Ontario Shut August 23

Reuters 14:07, August 23, 2005.

LAPG's 251 MW Gas-fired Unit 3 at its La Paloma Generating Facility in California Shut August 23

Reuters 15:05, August 23, 2005.

Intergen's 309 MW Gas-fired Unit 2 at its La Rosita Generating Facility in Baja Mexico Shut August 23

Reuters 15:05, August 23, 2005.

Springerville Unit 2 Needs New Generator

According to the company, the generator in unit 2 at Tucson Electric Power Co's Springerville power station in Arizona must be replaced. The company has indicated that the unit was taken out of service on August 11, and should be back on line during the week of September 4.

Reuters 17:30, August 23, 2005.

Petroleum

Retail Gasoline Hits A New All-time High - EIA

According to the latest data available from the Energy Information Administration, the average price for a gallon of gasoline at retail outlets established a new record last week. The average price for a gallon of regular unleaded gasoline increased by 6.2¢ to reach \$2.61 per gallon.

Reuters 16:43, August 23, 2005.

SPR Exceeds 700 Million Barrels

According to a Department of Energy web site, the Strategic Petroleum Reserve has more than 700 million barrels in storage. The total of 700.2 million includes 414.9 million of sour crude oil and 285.3 million of sweet crude. The total now exceeds the goal set by President Bush in 2001.

Platts, August 22, 2005

<http://www.platts.com/Oil/News/1048914.xml?S=n>

Update – Iraqi Exports Continuing at Reduced Rates

As reported in EAD on August 22, exports of Iraqi crude have resumed from the port of Basra following a power outage. The rate of flow is now 32,000 barrels per hour, about one half of the normal rate. Exports through Iraq's other main route, the northern export pipeline to Turkey, have long been halted by repeated sabotage. Analysts said the disruption in southern Iraq isn't likely to affect world oil prices, which hover around \$65 a barrel.

<http://www.thedenverchannel.com/money/4884884/detail.html?rss=den&psp=money>

Update - Output at PDVSA's Amuay Refinery Jumps as Distillation Unit Restarted

Output at the 635,000 b/d Amuay refinery of the Venezuelan state oil company PDVSA surged following the successful restart of a distillation unit. By August 22, output had recovered to about 410,000 following a fire that occurred when lightening struck the refinery during the previous week. According to the company, with the restart of the distillation unit, output is now running at approximately 535,000 b/d.

Reuters 14:11, August 23, 2005.

Ecuador – A Deal May be Near

Although there are still major points to be resolved between the government and protesters in Ecuador, there is optimism that an agreement can be worked out. The latest data indicate that production while increasing, remains well below the level achieved prior to the outbreak of the civil unrest in the oil producing regions that led Petroecuador to declare force majeure. On August 22, Petroecuador's production had increased to 91,000 b/d but was still below the 201,000 b/d level prior to onset of the protests. In addition, production figures for private companies operating in Ecuador indicate that production is at about 83 percent of pre-protest volume.

Reuters 13:59, August 23, 2005.

Air Products to Build Hydrogen Plant at ExxonMobil's Joliet Refinery.

Air Products announced that it will construct, own and operate a hydrogen plant adjacent to the ExxonMobil refinery in Joliet, Illinois. Air Products expects the plant to be operational in May of 2006. It will have a capacity of 18,000 Mcf/d and will supply hydrogen to the refinery.

<http://www.platts.com/Petrochemicals/News/8193782.xml?S=n>

Natural Gas

Study Finds LNG Tanker Transits Would Affect Economy, Traffic in Maine

According to two new studies released today, large tankers carrying LNG through Narragansett Bay could cause traffic backups, hurt tourism and marine economies, and slow emergency response times in the area. Two independent companies conducted the studies for the Aquidneck Island Planning Commission.

http://www.boston.com/news/local/massachusetts/articles/2005/08/23/studies_lng_tanker_transits_would_affect_economy_hurt_traffic/

Other News

EPA Seeking Public Comment on Yucca Mountain

The Environmental Protection Agency will hold a hearing on the planned nuclear waste storage facility to be located in Nevada. The focus of the hearing will be on the proposed standard for radiation levels outside the underground facility. EPA drafted the new standard following a ruling by the Appeals Court for the District of Columbia that rejected a previous standard.

<http://www.platts.com/Nuclear/News/4360600.xml?S=n>

Energy Prices

	Latest (08/23/05)	Week Ago	Year Ago
CRUDE OIL West Texas Intermediate US \$/Barrel	65.72	66.11	46.00
NATURAL GAS Henry Hub \$/Million Btu	9.96	9.66	5.34

Source: Reuters

This Week in Petroleum from the Energy Information Administration (EIA)

<http://tonto.eia.doe.gov/oog/info/twip/twip.asp>

Updated on Wednesdays

Weekly Petroleum Status Report from EIA

http://www.eia.doe.gov/oil_gas/petroleum/data_publications/weekly_petroleum_status_report/wpsr.html

Updated after 1:00pm (Eastern time) on Wednesdays

Natural Gas Weekly Update from EIA

<http://tonto.eia.doe.gov/oog/info/ngw/ngupdate.asp>

Updated after 2:00 pm (Eastern time) on Thursdays

ENSEC threat awareness blog site from Energy Assurance

<http://ensec.blogspot.com>